

SUMMARY ANALYSIS OF AMENDED BILL

Author: De Leon Analyst: Gail Hall Bill Number: AB 11
 Related Bills: See Prior Analysis Telephone: 845-6111 Amended Date: April 23, 2009
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Internal Revenue Code (IRC) Section 382 And Internal Revenue Service (IRS) Notice 2008-83

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENTS CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED/AMENDED

X December 1, 2008, and March 9, 2009, STILL APPLIES.

X OTHER – See comments below.

SUMMARY

This bill provides that California will not follow specific federal guidelines related to certain statutory deduction and loss items.

SUMMARY OF AMENDMENTS

The April 23, 2009, amendments added a specific operative date, which resolved the Technical Consideration discussed in the department's analysis of the bill as introduced December 1, 2008, and amended March 9, 2009. (See Appendix A). In addition, the amendments corrected the issue date for IRS Notice 2008-83.

Except for the EFFECTIVE/OPERATIVE DATE discussion, the remainder of the department's analysis of the bill introduced December 1, 2008, and amended March 9, 2009, still applies.

Board Position:

_____ S _____ NA _____ NP
 _____ SA _____ O _____ NAR
 _____ N _____ OUA _____ X PENDING

Legislative Director

Date

Brian Putler

05/14/09

EFFECTIVE/OPERATIVE DATE

This bill would be effective January 1, 2010, and would specifically apply to taxable periods to which any federal administrative guidance that was issued by the IRS after September 30, 2008 would apply.

POSITION

Pending.

LEGISLATIVE STAFF CONTACT

Legislative Analyst
Gail Hall
(916) 845-6111
gail.hall@ftb.ca.gov

Revenue Director
Jay Chamberlain
(916) 845-3375
jay_chamberlain@ftb.ca.gov

Legislative Director
Brian Putler
(916) 845-6333
brian.putler@ftb.ca.gov

APPENDIX A

Resolved Technical Consideration AB 11 as Introduced December 1, 2008, and Amended March 9, 2009

RESOLVED TECHNICAL CONSIDERATION

The department has identified the following technical consideration. Department staff is available to work with the author's office to resolve these and other concerns that may be identified.

- Since Notice 2008-83 was issued in October 2008 and operative retroactively for all open years, the author may want to add specific operative language to the bill that indicates that the FTB shall not apply Notice 2008-83 for the same taxable periods to which any federal guidance described in Notice 2008-83 is applicable.